

HOUSE BILL 1228

F2

2lr1302

By: **Delegate Bohanan**

Introduced and read first time: February 10, 2012

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 20, 2012

CHAPTER _____

1 AN ACT concerning

2 **Regional Higher Education Centers – Funding Formula**

3 FOR the purpose of ~~requiring~~ authorizing operating funds for regional higher
4 education centers, administered by the Maryland Higher Education
5 Commission including regional higher education centers administered by the
6 University System of Maryland, to be ~~calculated and allocated~~ distributed using
7 a certain funding formula, as provided in the State budget; ~~by a certain fiscal~~
8 ~~year; requiring the Maryland Higher Education Commission to certify to the~~
9 ~~Governor the amount of funding due to each regional higher education center~~
10 ~~under the funding formula and requiring the Governor to include that amount~~
11 ~~in the annual budget submission by a certain fiscal year; clarifying that certain~~
12 ~~operating funds for certain regional higher education centers that are included~~
13 ~~in the University System of Maryland Office as a separate line item may not~~
14 ~~exceed the amount of funding calculated using a certain funding formula;~~
15 clarifying that a regional higher education center must obtain certain approval
16 before the center can operate in the State; requiring the Commission to adopt
17 certain regulations to implement a certain funding formula; requiring the
18 Commission to study and make recommendations regarding the inclusion of
19 outcome or performance measures in a certain funding formula and requiring
20 the Commission to report its findings and recommendations to the Governor
21 and the General Assembly on or before a certain date; defining certain terms;
22 and generally relating to a funding formula for regional higher education
23 centers.

24 BY repealing and reenacting, with amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Article – Education
 2 Section ~~10-203(d)~~ and 11-105(d)
 3 Annotated Code of Maryland
 4 (2008 Replacement Volume and 2011 Supplement)

5 BY repealing and reenacting, without amendments,
 6 Article – Education
 7 Section 11-105(b)(7) and (8)
 8 Annotated Code of Maryland
 9 (2008 Replacement Volume and 2011 Supplement)

10 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 11 MARYLAND, That the Laws of Maryland read as follows:

12 **Article – Education**

13 ~~10-203.~~

14 ~~(d) (1) Funding proposals for regional higher education centers may~~
 15 ~~include:~~

16 ~~(i) Ongoing operating support to provide access to affordable~~
 17 ~~postsecondary education in unserved and underserved areas of the State;~~

18 ~~(ii) Incentive funding to promote collaboration among the~~
 19 ~~institutions of higher education and regional higher education centers; and~~

20 ~~(iii) Capital funding to support construction, operation, and~~
 21 ~~maintenance of a physical plant consistent with the approved mission statement of the~~
 22 ~~center.~~

23 ~~(2) (1) Operating funds for each regional higher education center,~~
 24 ~~INCLUDING A CENTER THAT IS ADMINISTERED BY THE UNIVERSITY SYSTEM OF~~
 25 ~~MARYLAND, SHALL BE CALCULATED AND ALLOCATED USING THE FUNDING~~
 26 ~~FORMULA IN § 11-105 OF THIS ARTICLE.~~

27 ~~(11) OPERATING FUNDS FOR EACH REGIONAL HIGHER~~
 28 ~~EDUCATION CENTER that is administered by the University System of Maryland:~~

29 ~~1. [shall] SHALL be included in the appropriation of the~~
 30 ~~system office as a separate line item in the Governor's operating budget; BUT~~

31 ~~2. MAY NOT EXCEED THE AMOUNT OF FUNDING~~
 32 ~~CALCULATED USING THE FUNDING FORMULA IN § 11-105 OF THIS ARTICLE.~~

33 11-105.

1 (b) (7) The Commission has authority to approve regional higher
 2 education centers to operate in the State and has statewide coordinating responsibility
 3 for regional higher education centers.

4 (8) The Commission may distribute strategic incentive funds to an
 5 institution of higher education or a regional higher education center to encourage
 6 attainment of the goals and priorities set forth in the State Plan for Higher Education.

7 (d) (1) [(i) The] **A REGIONAL HIGHER EDUCATION CENTER MUST**
 8 **BE APPROVED BY THE** Commission [may approve regional higher education centers]
 9 **BEFORE THE CENTER IS AUTHORIZED** to operate in the State[; and].

10 [(ii)] **(2)** With respect to the regional higher education centers,
 11 the Commission:

12 [1.] **(I)** May require submission of strategic plans in
 13 accordance with guidelines adopted by the Commission;

14 [2.] **(II)** ~~May~~ **SHALL** provide grants to regional higher
 15 education centers for ongoing operating expenses and lease payments [if consistent
 16 with the State Plan for Higher Education and the approved mission statements of the
 17 regional higher education centers] **IN ACCORDANCE WITH THE FUNDING FORMULA**
 18 **IN PARAGRAPH (4) OF THIS SUBSECTION;**

19 [3.] **(III)** Shall administer programs of State support and
 20 financial assistance for the regional higher education centers;

21 [4.] **(IV)** Shall assure that courses and programs offered
 22 are within the scope of the approved missions of the regional higher education centers
 23 and specifically satisfy the criteria set forth in § 10–212(b) of this article; and

24 [5.] **(V)** Except as provided in paragraph [(2)] **(3)** of
 25 this subsection, shall assure that State funds for the regional higher education centers
 26 are [spent]:

27 1. **SPENT** prudently and in accordance with State
 28 guidelines; **AND**

29 2. **CONSISTENT WITH THE STATE PLAN FOR HIGHER**
 30 **EDUCATION AND THE APPROVED MISSION STATEMENTS OF THE REGIONAL**
 31 **HIGHER EDUCATION CENTERS.**

32 [(2)] **(3)** With respect to the regional higher education centers
 33 administered by the University System of Maryland, the University System of

1 Maryland shall assure that State funds for the regional higher education centers are
2 spent prudently and in accordance with State guidelines.

3 (4) (I) 1. IN THIS PARAGRAPH THE FOLLOWING WORDS
4 HAVE THE MEANINGS INDICATED.

5 2. "DEGREE-SEEKING STUDENT" MEANS A STUDENT
6 ENROLLED IN A 2+2, BACCALAUREATE, MASTER'S, OR DOCTORAL DEGREE
7 PROGRAM AT A REGIONAL HIGHER EDUCATION CENTER.

8 3. "2+2 PROGRAM" MEANS A COLLABORATIVE
9 PROGRAM BETWEEN A COMMUNITY COLLEGE AND A 4-YEAR UNIVERSITY THAT
10 LEADS TO A BACHELOR'S DEGREE.

11 (II) ~~BEGINNING IN FISCAL YEAR 2014 AND IN EACH FISCAL~~
12 ~~YEAR THEREAFTER, AS FUNDING IS PROVIDED IN THE ANNUAL STATE BUDGET,~~
13 THE COMMISSION SHALL CALCULATE THE AMOUNT OF THE ANNUAL
14 APPORTIONMENT FOR EACH REGIONAL HIGHER EDUCATION CENTER
15 ADMINISTERED BY THE COMMISSION USING THE FOLLOWING FUNDING
16 FORMULA:

17 1. A BASE ALLOCATION FOR EACH CENTER OF
18 \$200,000;

19 2. INCENTIVE FUNDING FOR DEGREE-SEEKING,
20 FULL-TIME EQUIVALENT STUDENTS THAT IS TIED TO THE
21 INFLATION-ADJUSTED FISCAL YEAR 2005 GENERAL FUND APPROPRIATIONS
22 PER FULL-TIME EQUIVALENT STUDENT AT THE UNIVERSITIES AT SHADY
23 GROVE;

24 3. LEASE FUNDING FOR CENTERS WITH LEASED
25 SPACE THAT HAVE NOT RECEIVED STATE CAPITAL FUNDING SUPPORT; AND

26 4. SPECIAL FUNDING FOR ONE-TIME PROJECTS OR
27 START-UP COSTS.

28 (III) ~~THE COMMISSION SHALL CERTIFY THE AMOUNT OF~~
29 ~~FUNDING DUE TO EACH REGIONAL HIGHER EDUCATION CENTER UNDER THIS~~
30 ~~PARAGRAPH TO THE GOVERNOR, WHO SHALL INCLUDE THE TOTAL AMOUNT IN~~
31 ~~THE ANNUAL BUDGET SUBMISSION FOR FISCAL YEAR 2014 AND FOR EACH~~
32 ~~FISCAL YEAR THEREAFTER.~~

33 (IV) THE COMMISSION SHALL ADOPT REGULATIONS TO
34 IMPLEMENT THE FUNDING FORMULA IN THIS PARAGRAPH.

1 SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Higher
2 Education Commission shall:

3 (a) Review options and make recommendations regarding the inclusion of
4 outcome and performance measures in the funding formula for regional higher
5 education centers in § 11–105 of the Education Article; and

6 (b) On or before October 1, 2013, report its findings and recommendations to
7 the Governor and, in accordance with § 2–1246 of the State Government Article, the
8 General Assembly.

9 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 July 1, 2012.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.